



CITY OF SAN ANTONIO

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August 8, 2006

City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of Asset Management Department's Parking Division

City Management, the Asset Management Department, and the Parking Division have reviewed the audit report for the Parking Division and have developed Corrective Action Plans below corresponding to report recommendations.

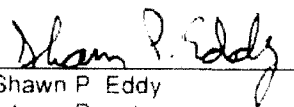
Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
Detail Report					
1	The City is currently using ageing paper ticket based parking systems that consist of disparate components. The Parking Division Manager should implement a modern parking system that effectively employs technology to improve parking management, accountability, and customer service. Action plan: See Attachment	6	Accept	Kenneth Appedole	2008
2	The City utilizes old technology to monitor 10 of its parking booths. The Parking Division Manager should procure and install a modern surveillance system with remote monitoring capabilities. Action plan: See Attachment	7	Partially Accept	Kenneth Appedole	2008
3	Not all parking attendants are being audited on an annual basis. The Parking Division Manager should implement a field audit plan that ensures that all parking attendants are audited at least several times a year on a random basis. Action plan: See Attachment	8	Accept	Kenneth Appedole	July 2006

4	<p>The billing system for monthly parking lacks sufficient data integrity and functionality. Also, controls over magnetic (MAG) cards are insufficient.</p> <p>The Parking Division Manager should develop formal written procedures and systems for billing and safeguarding MAG cards. A new monthly-parking account receivable/billing system should be implemented with appropriate security, performance, and reliability features.</p> <p>Action plan: See Attachment</p>	10	Accept	Kenneth Appedole	2007
5	<p>The parking validations process lacks controls to ensure that all validation businesses are billed properly.</p> <p>The Parking Division Manager should automate the validation process and develop formal written procedures to address the proper, timely, and consistent handling, disposition, billing, accounting, and receiving of payments for all validation transactions.</p> <p>Action plan: See Attachment</p>	13	Accept	Kenneth Appedole	2007
6	<p>Quality control issues were found including a lack of policies and procedures for Fiscal Office functions, parking transactions not accounted for, insufficient mechanisms to obtain accurate vehicle counts, and fee computer programming errors.</p> <p>The Parking Division Manager should develop and implement a quality control function. This function should be responsible for identifying and developing policies and procedures for all major Fiscal and Parking Operations functions</p> <p>Action plan: See Attachment</p>	14	Accept	Kenneth Appedole	2007
7	<p>Certain individuals outside of the Parking Division had unnecessary access to the TPDS system.</p> <p>The Parking Manager should review TPDS access security and make modifications as necessary on a periodic and timely basis.</p> <p>Action plan: See Attachment</p>	15	Accept	Kenneth Appedole	July 2006

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,


Erik J. Walsh
Assistant City Manager


Shawn P. Eddy
Interim Director


Kenneth Appedole
Parking Manager

Department of Asset Management Parking Division
Corrective Action Plan based upon the
Recommendations of the Office of the City Auditor

Item # 1

The Department of Asset Management has identified the need to purchase new revenue control equipment for the Parking Division. However, funding the purchase of such equipment has been especially challenging within the current operating fund. Recently, it was decided that Parking System Revenue Bond proceeds would not be used for the Convention Center Hotel project. Depending on the determination of the City's Bond Counsel, these funds could possibly be redirected and utilized for the purchase of equipment.

The City is also in the process of finalizing a contract with a nationally recognized firm to provide "Parking Consultant Services". Included in the scope of services is the direction to develop a plan that schedules and makes specific recommendations for capital improvements and the procurement and installation of cost effective parking control equipment. Completion of the study is tentatively scheduled for May 2007.

If funding is approved, the Parking Division will purchase a high quality brand of equipment with the latest technology that best fits the needs of City owned garages and lots. Specifications will include the ability to perform the following tasks:

- Accept all major credit, debit, and smart cards.
- Utilize tickets that have magnetic stripe encoding or bar code scanning capabilities to eliminate the majority of keystroke activity performed by the parking attendants.
- Generate reports of daily, weekly, and monthly activities for management's review.
- Ability to capture all transactions and create totals for each category to include hourly increments, business validations, non-paying customers, vehicle counts, etc.
- Capable of producing monthly reports used by Senior Office Assistants for invoicing and accounting purposes.
- Until ITSD and SAP issues can be resolved, information will still have to be transferred into TPDS. However, counting of paper tickets could be eliminated and reports from the revenue control equipment would provide the necessary data for invoicing.

Item # 2

As mentioned in the response to Item # 1, the lack of funding has also prevented the upgrade of surveillance equipment. Bond proceeds could possibly be used for this purpose as well.

Pending the availability of funds, the Parking Division proposes to upgrade to Digital Video Recording devices with expanded hard drives. This will allow for enhanced video imaging and extended recording times, thus eliminating the need to change tapes and give longer periods for archiving data. Currently, the quality of cameras in the booths is sufficient to capture the necessary images. However, additional cameras could be added at those locations where the line of sight could be obstructed or where superimposing fee computer transactions onto video images is desired.

Real time monitoring from a remote location is not considered to be a priority. There is a substantial expense, both initial and recurring, associated with this type of process. In addition, work loads for Superintendents and other management staff may not allow time to be set aside for monitoring of attendant activity. The upgraded technology of new revenue control equipment should be the major source for preventing or detecting fraud. If reports indicate an activity of a suspicious nature, archived recordings will be reviewed to verify the incident.

Item # 3

Numerous vacancies in supervisory and management positions have made it difficult to conduct a high volume of audits during weekdays and nights. However, many of those positions have now been filled in addition to the creation of an Assistant Parking Manager position. The Assistant Parking Manager has created a spreadsheet listing the names of all parking attendants and the number of audits performed at each location to track those attendants and facilities that have been audited. Monthly review of the information will assist management in taking the appropriate action to ensure each person is audited at least twice per year. The audits will continue to focus on those areas that have the least amount of controls, such as flat rate sales. Facilities that generate a high percentage of the division's total revenue may not have that many cash transactions as a high percentage of revenue is attributable to monthly customers. For instance, the St. Mary's Garage contributes 8% of the total revenue for the division, but the facility is only responsible for 2% of the division's total cash transactions.

Item # 4

Steps have already been taken to implement a new accounting system for monthly customers. A database has been created that is accessible to all Senior Office Assistants. This database is maintained on the City's servers and not on each individual's desktop computer, thus eliminating the possibility of losing vital information. It also allows for the retention of monthly historical data and will provide an aging accounts receivable list for each facility.

A segregation of duties will be initiated in the Fiscal Section. Monthly invoicing will be separate from the accounts receivable function for all Senior Office Assistants. This can be completed once all positions are filled and employees properly trained. The Accountant II will maintain an inventory of all mag cards that have not been issued. The cards will be deactivated until such time they are issued to a monthly customer. A

log will be kept to show when, and by whom, a card is removed. Also, when cards are returned to the Parking Division, they will be deactivated and entered into the log as being part of the available inventory. Only the Parking Manager, Fiscal Officer and the Accountant II will have access to these cards. The ability to activate or deactivate cards will only be given to management staff.

A process is being formulated to determine the feasibility of eliminating future mag card deposits and replacing it with a one-time nonrefundable activation fee.

The timely deposit of all types of payments will be addressed in the Fiscal Section's revised operating instructions.

Item # 5

All validation agreements will be reviewed to ensure that the Parking Attendants and Senior Office Assistants are aware of the correct amounts to be charged and invoiced.

As previously mentioned, reconciliation and invoicing duties will be separated from the accounts receivable functions. Until such time that new revenue control equipment can be purchased, paper tickets will still be the source used for invoicing. However, designating this duty to a specific individual should allow for a higher degree of accuracy.

The practice of charging for the amount of time parked as opposed to the validation limit stamped on the ticket will still continue.

The entire validation process and timely entry and deposit of checks will be addressed in the revised operating instructions for the Fiscal Section.

Item # 6

The PDOI's (Parking Division Operating Instructions) for the Operation Section were updated and amended in 2003. These will be reviewed and edited to ensure audit findings are included. The Fiscal Section's PDOI's will be written to address the issues included in the audit report and to ensure the proper policies and procedures are followed by all Senior Office Assistants. Each staffperson will be given a complete copy and be required to sign a statement of understanding.

Item # 7

Except for the Senior Office Assistants currently employed, the Fiscal Officer, and the Accountant II, all other names have been eliminated from the list of personnel that have access to the TPDS system. Only the Parking Division's Fiscal Officer and the Accountant II have access to the "Security and Maintain Codes". All other names have been deleted. When personnel terminate their employment with the Parking Division, their names will be removed from the access list.